

JCA CHARITABLE FOUNDATION
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Charity No: 207031

AZETS AUDIT SERVICES
Chartered Accountants
Greytown House
221 – 227 High Street
Orpington
Kent
BR6 0NZ

JCA CHARITABLE FOUNDATION

CONTENTS

	Page
Reference and Administrative Details	1 – 2
Report of the Council	3 - 6
Independent Auditor's Report	7 – 9
Statement of the Financial Activities	10
Comparative Statement of Financial Activates	11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Financial Statement	14 – 24

JCA CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (hereafter referred to as Council Members)

Sir Stephen Waley-Cohen Bt (President)
Mr Jacques Capelluto
Mr William Cohen
Mr Geoffrey Gestetner
Mme Beatrice Jouan
Mr Avner Hermoni
Mrs Tal Kvatinsky
Mr Peter Lawrence
Mr Jacques-Martin Philippon
Mr Manuel Sussholz
Mr Marc Vellay
Mr Jonathan Walker – Resigned 1 June 2020
Mr Doron Weiss
Prof Shmuel Wolf
Ms Shani Zindel
Dr Yaffa Ben-Ami

Honorary Vice-President

Mr Yehiel Admoni
Baron Alain Philippon

Honorary Council Members

Dr Rely Brickner - Died 9 April 2020
Prof Yona Chen
Mr Efraim Halevy
Mr John Jakobi – Died 26 January 2020
Mr Isaac Lidor – Died 14 July 2020
Mr Yoki Lothan
Mrs Hana Smouha

Key Management Personnel

Sir Stephen Waley-Cohen Bt – President – Council Member
Mr Tim Martin – Administrator, Consultant
Ms Zeev Miller – Israel Manager

Registered Office

39 Church Meadow
Long Ditton
KT6 5EP

Registered Charity Number

207031

Independent Auditor

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Bankers

CAF Bank Limited
Kings Hill
Kent
ME19 4TA

JCA CHARITABLE FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Maurice Turnor Gardner LLP
15th Floor, Milton House
Milton Street
London
EC2Y 9BH

Investment Portfolio Manager

Partners Capital
5 Young Street
London
W8 5EH

JCA CHARITABLE FOUNDATION

REPORT OF THE COUNCIL

The Council, who are also the trustees of the Foundation, present their Annual Report together with the Audited Financial Statements for the year ended 31 December 2020. The Council have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK published on 16 July 2014 as amended by Bulletin 1 & 2.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The JCA Charitable Foundation was formed in 1891. It was originally set up by a bequest from Le Baron de Hirsch of £5.9m.

During 2019 the Council decided that it was time to modernize the governance and legal status of the JCA, as much of the formal arrangements were still more appropriate to the 19th than to the 21st century. Accordingly, and having taken legal advice, it was decided to convert from being a private company limited by shares, with shareholders, to the relatively new status especially created for charities of a Charitable Incorporated Organisation ('CIO'). Having obtained the permission of the Charities Commission an Extraordinary General Meeting of the company was held on 19 February 2020 at which the new status was adopted and modernised charitable objectives adopted. Thus JCA moved into the modern charitable world. One effect of the change was that JCA no longer has shareholders, and therefore those clauses in our former constitution which gave the right to larger shareholders to nominate Council members came to an end. Recognizing the important role which our former shareholders had played, and the desirability of maintaining an international representation among our Council members, the Council has resolved to continue to consult with the existing Council members from each country now represented on Council (Belgium, France, Israel, UK and USA) when considering appointments of new Council members from those countries.

The Foundation formally converted to a CIO on 25 September 2020.

Our new Objects clause states:

The objects are, for the public benefit and in any part of the world,

- a) the relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage; and
- b) the advancement of education,

within the Jewish community and within communities with which the Jewish community interacts.

The new reference to communities with which the Jewish Community interacts enables us to maintain our activities, as described below, while also enabling us to work with the non-Jewish communities in Israel and to promote joint activities between Jewish and non-Jewish communities.

The Foundation's work is currently almost all in Israel, entirely within the 'green line', i.e. not in occupied territories, and is concentrated in the rural areas of the periphery. The Council selects Regional Council areas suitable for its work, and focuses its efforts on those regions.

Principal Activities

The principal activities of the Foundation are to make grants for education and economic development in the rural areas of the periphery. Economic development includes practical and applied research for agriculture, as well as non-agricultural developments such as rural tourism. Grants for educational purposes are at every level from primary to tertiary, again to institutions located on or servicing the rural areas of the periphery.

In selecting projects for support the Council pays heed to the advice of its Israel Manager and the Israeli Members of Council, and seeks to achieve leverage from its support; this leverage comes from rarely contributing more than half of a project's cost; from identifying innovation, catalytic impact, and employment possibilities arising from the projects; from encouraging new immigrants to its selected regions; and from seeking to raise educational attainments.

Grant-Making Policy

The JCA maintains a policy of making a percentage of the Net Asset Value available for expenditure each year which has been around 4% for a number of years. This is reviewed annually by the Council. Administration expenditure is kept to the minimum leaving the balance available for Grants.

JCA CHARITABLE FOUNDATION

REPORT OF THE COUNCIL

Public Benefit

The Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aim and objectives and in planning future activities and setting the grant making policy for the year.

STRATEGIC REPORT

Achievements and Performance

At the Council Meeting in October 2020 Grants of \$2,104,000 were approved for the following 12 months (including previous commitments). These were selected from those proposed to the Israel office and reviewed first by the Israeli Members of Council and the Israel Manager and subsequently by the full Council. Grants paid in 2020 totalled \$2,583,003 shown in Note 5 to the Financial Statements. These were allocated as follows:

Grants	2020		2019	
	US\$	%	US\$	%
Education	986,450	38%	672,916	27%
Agriculture	884,418	34%	1,237,085	50%
Other economic development including tourism and various	712,135	28%	553,510	23%
Total grant payments	2,583,003		2,463,511	

Financial Review

The income of the charity was £209k (2019: £413k) and expenditure of £2.41m (2019: £2.36m). The surplus for the charity after losses / gains on investments was £3.95m (2019: £8.84m).

Reserves at the year end were, unrestricted funds £19.3m (2019: £13.3m), designated funds £15m (2019: £15m) and endowment funds of £23.9m (2019: £23.9m).

Reserves Policy

The Council aims to maintain free reserves at a level which will provide sufficient funds to respond to applications for grants and ensure that there are sufficient funds available to cover support and governance costs for a period of at least twelve to eighteen months. The actual level of unrestricted reserves of the Charity at 31 December 2020 was £19.3m (2019: £13.3m) which is approximately four times the funds needed to maintain the policy of making 4% of the Net Asset Value available for grants whilst keeping expenditure to a minimum.

Endowment funds totalled £23.9m (2019 £23.9m), designated funds totalled £15m (2019 £15m).

Risk Review

The Council have conducted a review of the major risks to which the charity is exposed and systems have been established to mitigate those risks.

The principal economic and reputational risks arise from

- a) the possibility of an unsuccessful investment policy which Council has delegated to an Investment Committee of Council Members based in London who, collectively, have considerable relevant experience and from the use of a highly professional and carefully selected investment manager, whose performance is kept under constant review, and
- b) supporting unsuccessful projects, which risk is mitigated by usually contributing less than half the total cost, often for buildings or equipment whose cost is supported by invoices. The risk is further managed by close liaison with project sponsors, often local government, other funders, and the project management. This is managed by the Israel Manager in consultation with the Israeli Members of Council who have extensive experience in the activities offered support.

JCA CHARITABLE FOUNDATION

INDEPENDENT AUDITORS REPORT TO THE COUNCIL MEMBERS

Investment Policy

The Council intend that the real value of the Foundation's assets be maintained and enhanced over the long term by a varied investment portfolio. For the purpose of the charity, the Council wish to withdraw an amount each year to meet their grant expenditure. This requirement will be discussed with the investment portfolio managers as necessary. The withdrawals may be met from income or capital.

In order to meet these objectives the Council have appointed Partners Capital to advise on suitable investments to manage diversified portfolios of suitable investments on a discretionary basis. They have selected a balanced investment objective with medium risk. The proportions invested in quoted and unquoted equities (US, UK, European and emerging markets), usually through index stocks or managed funds, in fixed income stocks or other credit funds, in property funds and in cash are reviewed with Partners Capital from time to time to provide guidance on ongoing suitability of that element of investment policy.

In addition the charity may invest directly in unlisted companies in pursuit of its charitable objectives. This may involve investment in start-up companies which will have a higher risk profile than the quoted investment portfolio. However, as part of a diversified investment portfolio the Council believe this is appropriate in pursuit of both the charitable objectives and the investment objectives.

The Council will regularly consider whether there is a need to revise this policy and keep under review the arrangements under which Partners Capital act as our managers. We have appointed an investment committee comprising of Sir Stephen Waley-Cohen, Mr Geoffrey Gestetner, Mr Peter Lawrence and Ms Shani Zindel with Mr William Cohen in attendance. The investment committee meets several times a year in London. We have entered a 5 year agreement with Partners Capital with reduced fees, conditional upon satisfactory performance.

Future Plans

JCA continues to support development projects particularly in education and economic development which will assist in furtherance of its charitable objects.

Post Balance Sheet Events

There are no post year events that effect the charity's ability to operate. Due to the Covid-19 pandemic the investments fell in value but have subsequently recovered. The Council Members do not see any long-term effects on the Foundation of Covid-19.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

The charity's constitution converted from a private limited company to a CIO on 25 September 2020.

Council Members

The Council Members during the year were as follows:-

Sir Stephen Waley-Cohen Bt (President)
Mr Yaffa Ben-Ami
Mr Jacques Capelluto
Mr William Cohen
Mr Geoffrey Gestetner
Mr Avner Hermoni
Mme Beatrice Jouan
Mrs Tal Kvantinsky
Mr Peter Lawrence
Mr Jacques-Martin Philippon
Mr Manuel Sussholz
Mr Marc Vellay
Prof Shmuel Wolf
Mr Doron Weiss
Ms Shani Zindel

The affairs and business of the charity are under the general control of a Council which must consist of not less than three and not more than twenty trustees, each of whom are required to be members of the CIO, and who shall be elected by the CIO in General Meeting.

Each member of the Council shall hold office for a term of five years or thereabouts from the date of his/her election until the Annual General Meeting held in the fifth year after the year of his/her election, but shall be eligible for re-election at such Annual General

Meeting for a further term of five years or thereabouts with a similar opportunity for re-election. If considered in the best interests of the charity, a Council member's term can be invited to serve more than ten consecutive years as a trustee.

The Council shall have power at any time and from time to time to appoint any person as a Member of the Council, either to fill a casual vacancy, or as an addition to the Council but so that the total number of Members shall not exceed the maximum number. Any person so appointed shall retire at the next Annual General Meeting but shall then be eligible for re-election.

Meetings of the Council shall be held at least once a year. Three members of the Council shall be a quorum for the transaction of business.

Key management personnel remuneration

The Council consider the President, the Israel Manager and the Administrator as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Council members give of their time freely and no Council member remuneration was paid in the year. Details of Council members expenses and related party transactions are disclosed in note 8 to the accounts. The Administrator is paid a fee and the Israel Manager receives a salary from the subsidiary company.

Council members are required to disclose all relevant interests and register them with the administrator and in accordance with the Foundation's policy withdraw from decisions where a conflict of interest arises.

The fee of the charity's administrator is reviewed annually by a sub committee of the Council who have regard to the time and expenditure involved and the cost of any alternative.

Statement of Council Responsibilities

The Council are responsible for preparing the Council's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution of the Foundation. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to Disclosure of Information to Our Auditors

In so far as the Council are aware at the time of approving the Report of the Council:

- there is no relevant audit information of which the CIO's auditor is unaware; and
- the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Council

Sir Stephen Waley-Cohen Bt
President

13 October 2021

Opinion

We have audited the financial statements of JCA Charitable Foundation (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council Members with respect to going concern are described in the relevant sections of this report.

Other information

The Council Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the information given in the financial statements is inconsistent in any material respect with the Council Member's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council Members

As explained more fully in the Council's responsibilities statement, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

Use of our report

This report is made solely to the charity's Council Member's, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Council Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

19 October 2021

JCA CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

Income and Expenditure Account	Note	Unrestricted funds	Endowment Fund	Total 2020	Total 2019 (As restated)
		£'000	£'000	£'000	£'000
Income from:					
Investments	2	86	-	86	357
Income from oil leases		38	-	38	44
Loan repayments and interest		85	-	85	12
Total income		<u>209</u>	<u>-</u>	<u>209</u>	<u>413</u>
Expenditure on:					
Investment managers fees	4	37	-	37	79
Charitable activities	3	2,373	-	2,373	2,277
Total expenditure	3	<u>2,410</u>	<u>-</u>	<u>2,410</u>	<u>2,356</u>
Net expenditure and net movement in funds before gains and losses on investments		(2,201)	-	(2,201)	(1,943)
Net gains on investments	10	<u>6,154</u>	<u>-</u>	<u>6,154</u>	<u>10,785</u>
Net movement in funds		<u>3,953</u>	<u>-</u>	<u>3,953</u>	<u>8,842</u>
Total funds at 1 January 2020		30,312	23,885	54,197	45,355
Total funds at 31 December 2020		<u>34,265</u>	<u>23,885</u>	<u>58,150</u>	<u>54,197</u>

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

JCA CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

Comparative Income and Expenditure (As restated)	Note	Unrestricted Funds (as restated) £'000	Endowment Fund £'000	Total 2019 (as restated) £'000
Income from:				
Investments	2	357	-	357
Income from oil leases		44	-	44
Loan repayments and interest		12	-	12
Total income		<u>413</u>	<u>-</u>	<u>413</u>
Expenditure on:				
Managing funds	4	79	-	79
Charitable activities		2,278	-	2,278
Total expenditure	3	<u>2,356</u>	<u>-</u>	<u>2,356</u>
Net expenditure and net movement in funds before gains and losses on investments		(1,943)	-	(1,943)
Net gains on investments	10	10,785	-	10,785
Net movement in funds		<u>8,842</u>	<u>-</u>	<u>8,842</u>
Total funds at 1 January 2019		21,470	23,885	45,355
Total funds at 31 December 2019		<u>30,312</u>	<u>23,885</u>	<u>54,197</u>

JCA CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	10	58,091	53,642
Current assets			
Debtors	11	152	436
Cash at bank and in hand		8	242
		<u>160</u>	<u>678</u>
Creditors: Amounts falling due within one year	12	<u>(16)</u>	<u>(38)</u>
Net current assets		144	640
Provisions for liabilities and charges	13	(85)	(85)
Net assets		<u>58,150</u>	<u>54,197</u>
Capital and funds			
Share capital	14	-	2,000
Unrestricted funds	14	19,265	13,312
Designated funds	14	15,000	15,000
Endowment funds	15	23,885	23,885
	15	<u>58,150</u>	<u>54,197</u>

Approved by the Board of the Council on 13 October 2021 and signed on their behalf by:

Sir Stephen Waley-Cohen Bt
President

Geoffrey Gestetner
Council Member

JCA CHARITABLE FOUNDATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 (As restated) £'000
Cash flow from operating activities	18	(2,232)	(2,392)
Net cash flow from operating activities		<u>(2,232)</u>	<u>(2,392)</u>
Cash flow from investing activities			
Payments to acquire investments		(21,334)	(33,859)
Receipts from sales of investments		23,039	36,208
Loans repaid in the year		207	(264)
Dividends received		86	357
Net cash flow from investing activities		<u>1,998</u>	<u>2,262</u>
Net increase in cash and cash equivalents		(234)	(130)
Cash and cash equivalents at 1 January 2020		<u>242</u>	<u>372</u>
Cash and cash equivalents at 31 December 2020		<u><u>8</u></u>	<u><u>242</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>8</u>	<u>242</u>
Cash and cash equivalents at 31 December 2020		<u><u>8</u></u>	<u><u>242</u></u>

1. ACCOUNTING POLICIES

1.1 Basis of Accounting and Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015 and amended for Bulletin 1 & 2.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

1.3 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of publicising the charity.
- Expenditure on charitable activities includes the grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.4 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1.5 Funds

Unrestricted funds are those funds which can be used at the discretion of the Council Members in accordance with the charitable objectives.

Endowment funds are a capital fund where there is no power to convert the capital into income (permanent endowment fund), which must generally be held indefinitely. With the expendable endowment, the Council Members have power to convert the capital into income.

1.6 Foreign Currencies

Assets and liabilities denominated in foreign currencies, with the exception of the Fixed Assets of ICA in Israel are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences arising from the above are included in the Statement of Financial Activities.

1.7 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

1.9 Taxation

The CIO is entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

1.10 Going Concern

The financial statements have been prepared on a going concern basis as the Council Members believe that no material uncertainties exist. The Council Members have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. This included consideration of the effect of the Covid-19 virus on the Foundations's operations.

1.11 Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in nonconvertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

1.12 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Bad debts

Trade debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.13 Consolidation

The Council have not produced consolidated accounts on the basis the activity in the subsidiary is immaterial to the whole.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**2. INVESTMENT INCOME**

	2020 £'000	2019 £'000
Dividends from portfolios: Partners' Capital	86	357
	<u>86</u>	<u>357</u>

3. ANALYSIS OF EXPENDITURE

	Staff costs	Direct costs	Support costs	Total 2020	Total 2019 (as restated)
	£'000	£'000	£'000	£'000	£'000
Managing funds	-	37	-	37	79
Charitable activities					
Grants payable (note 5)	15	2,064	49	2,128	2,072
Field office, ICA in Israel	195	46	4	245	205
Total expenditure	<u>210</u>	<u>2,147</u>	<u>53</u>	<u>2,410</u>	<u>2,356</u>

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent.

4. MANAGING FUNDS

	2020 £'000	2019 (as restated) £'000
Portfolio fees – current year	37	79
	<u>37</u>	<u>79</u>

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. GRANT PAYABLE

Name of Recipient	Aggregate grant made in US\$ 2020 \$	Aggregate grant made in US \$ 2019 \$
Agricultural Research Organization	361,365	597,550
Akko Nautical School	22,700	-
A.M.I.R Foundation	19,500	10,500
Anne Frank Comprehensive School	4,400	-
Arava Development Company	25,000	-
Basmalh Association	-	22,800
Beit Siach Klil Foundation	25,000	-
Ben Gurion University of the Negev	-	25,000
Ben Hashitin Farm	24,200	-
BGU	70,965	-
Braude College / MOONA	25,000	-
Central & Northern Arava R&D	-	38,050
Central Arava R&D	1,900	50,000
Central Arava R.C	25,000	25,000
Central Zionist Archives	14,000	40,000
Chen HaNegrev Foundation	-	10,000
Clore Center	-	7,080
Davidson Institute	15,200	-
Dead Sea Arava Science Center (DSASC)	269,220	362,636
Derech Eretz	25,000	-
Desert Stars	37,000	85,000
Dror Educational Center	58,500	-
Dror Israel	146,600	-
Eilat-Eilot Renewable Energy	5,800	-
Eilot R.C	104,365	21,000
Ein Shemer Greenhouse	20,000	-
Erez College	20,000	12,500
Eshkol R.C	-	36,250
FIRST Israel	21,200	9,350
The Fund for Innovative Teaching (FIT)	-	10,000
Galil School (Misgav RC)	20,000	-
Gilat Research Center	1,600	1,430
Hebrew University (HUJI)	182,870	175,000
Hevel Eilot RC	20,000	-
Heznek	20,000	-
Hinnen Foundation	-	15,900
Independence Day Ceremony	20,000	-
Kinneret College	-	131,250
Kaima Hukuk Farm	10,000	-
Katif R&D	-	31,000
Keshet Elion	10,000	-
Kibbutz Ma'ale Gilboa	7,500	-
Kinneret College	90,000	-
Koacj Zvika	20,000	-
Koi Israel Haverim (KIH)	50,000	20,000
Ma'ale Yosef RC	36,300	-
Masada Research Centre	23,366	-
MATA Foundation	29,000	-
Matte Asher RC	40,000	-
Manor-Cabri Foundation	-	6,050
McCann Valley	17,000	-
Melach Ha'aretz	4,400	-
Migal Research Institute	37,400	269,045
Misgav RC	76,000	-
More Than Reality	20,000	-
<i>Carried forward</i>	2,077,551	2,050,541

JCA CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Brought forward</i>	2,077,551	2,050,541
NCM - IOLR		62,000	-
Negav Highland Experience		10,000	-
Neta Rozenblat (Trumpeldor Film)		-	20,100
New Israel Guardians (NIG)		51,800	16,200
Nirim Youth Village & Foundation		-	44,680
Nitzana Educational Community		11,000	10,000
Nitzan NPO		-	20,000
Northern R&D		46,902	-
Northern & Central Arava R&D		15,000	-
ORT Braude College		20,000	-
Ramat Negev R.C		24,000	7,450
Sapir College		-	78,000
Sha'ar Hanegev High School		-	4,000
Sha'ar L'Adam		-	10,000
Southern Arava R&D		26,300	5,800
SPIHS		64,000	-
SPNI		50,000	-
Tapuach		20,000	-
Tech7 Juniors		-	15,000
Tel-Hai Academic College		60,000	43,640
Tikkun Center		-	35,000
Unique Projects		1,600	-
Upper Galilee R.C		-	10,000
Valley of Springs (Eden Farm)		10,000	-
Yad Mordechai Museum		-	15,000
Yeruham Science Center		-	25,000
Yesud HaMa'ala		9,500	17,100
Youth Villages for Advancement & Excellence		15,850	-
		2,583,003	2,463,511
		2020	2019
		£'000	£'000
Total Grants in Sterling		2,064	1,969
Allocation of Support Costs		49	89
Allocation of Staff Costs		15	14
See note 3		2,128	2,072

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. SUPPORT COSTS	2020 £'000	2019 £'000
Office, travel & sundry	2	7
Consultancy	20	14
Bank charges	2	2
Governance costs (note 7)	29	73
	<u>53</u>	<u>96</u>
7. GOVERNANCE COSTS	2020 £'000	2019 £'000
Auditor's remuneration		
- Audit	8	8
- Other services	2	4
Legal and Professional	19	61
	<u>29</u>	<u>73</u>

8. COUNCIL'S AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The Council did not receive any remuneration during the year (2019: £Nil). None of the Council members received reimbursed expenses during the year (2019: none).

The total amount of employee benefits received by key management personnel, who are employees, is £135k (2019 - £128k). The Foundation considers its key management personnel to comprise those individuals listed on page 1. The President is not an employee and did not receive any benefits. The Administrator is not an employee but is paid as a consultant.

9. STAFF COSTS AND EMPLOYEE BENEFITS	2020 £'000	2019 £'000
Wages and salaries	176	168
Pension costs	34	33
	<u>210</u>	<u>201</u>

The average number of employees by headcount during the year was 2 (2019: 2) this equated to a full time equivalent of (2019: 2). Also included in pension costs is the Canadian Pension.

One employee received remuneration between £120,000 and £130,000 during the year (2019: 1)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. INVESTMENTS

	2020 £'000	2019 (as restated) £'000
Market Value		
At 1 January 2020	53,642	44,795
Additions	21,334	33,859
Disposals	(23,039)	(35,797)
Realised/Unrealised gains / (losses)	6,154	10,785
	<u>58,091</u>	<u>53,642</u>
At 31 December 2020		
	<u>58,091</u>	<u>53,642</u>
Historical cost	<u>46,443</u>	<u>48,670</u>
	2020 £'000	2019 £'000
Investments with:		
Other – unlisted investments	745	830
Partners' Capital	57,346	52,812
	<u>58,091</u>	<u>53,642</u>

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Unlisted investments are included at cost less impairment.

Investments individually representing greater than 5% of the portfolio held are:

	2020 £'000	2019 £'000
Partners Capital Condor Fund IX	2,987	2,413
Partners Capital Greyhawk Fund	3,731	3,054
Partners Capital Phoenix Fund Lead series	5,357	5,357
The Master Portfolio C Ltd	29,333	31,465

11. DEBTORS

	2020 £'000	2019 £'000
Other debtors	152	436
	<u>152</u>	<u>436</u>

Included in other debtors is one loan totalling £55k (2019 – 2 loans totalling £264k) which is repayable at the earlier of when the borrower wishes to repay the loan or when the Borrower is paid in consideration for the sale of its shares in Algatechnologies. Interest is payable at a rate of 4% per annum.

12. CREDITORS: Amounts falling due within one year

	2020 £'000	2019 £'000
Accruals	16	38
	<u>16</u>	<u>38</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. PROVISION FOR LIABILITIES AND CHARGES			2020 £'000	2019 £'000
Pensions and similar obligations			85	85
			<u>85</u>	<u>85</u>
14. UNRESTRICTED FUNDS				
	As at 1 January 2020 £'000	New Designation £'000	Designation Released £'000	As at 31 December 2020 £'000
Designated funds				
Investment funds	15,000	-	-	15,000
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
	As at 1 January 2020 £'000	Surplus for the year £'000	Transfers £'000	As at 31 December 2020 £'000
Unrestricted funds				
Share capital	2,000	-	(2,000)	-
General unrestricted fund	13,312	3,953	2,000	19,265
	<u>15,312</u>	<u>3,953</u>	<u>-</u>	<u>19,265</u>
	As at 1 January 2019 £'000	New Designation £'000	Designation released £'000	As at 31 December 2019 £'000
COMPARATIVE UNRESTRICTED FUNDS				
Designated funds				
Investment funds	15,000	-	-	15,000
	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
	As at 1 January 2019 £'000	Surplus for the year £'000	Transfers £'000	As at 31 December 2019 £'000
Unrestricted funds				
Share capital	2,000	-	-	2,000
General unrestricted fund	4,470	8,842	-	13,312
	<u>6,470</u>	<u>8,842</u>	<u>-</u>	<u>15,312</u>

Designated funds have been set aside by the members for specific purposes.
Investment funds - to enable the Charity to continue to generate income.

On 25 September 2020 the company converted to a CIO. None of the share capital was repaid and the funds have been retained in the CIO general unrestricted fund. (2019: The authorised share capital was £2,000,000 as divided into 20,000 paid up shares of £100 each.)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. ENDOWMENT FUND

	As at 1 January 2020 £'000	Income £'000	Expenditure £'000	As at 31 December 2020 £'000
Permanent Endowment: La Baronne de Hirsch bequest	1	-	-	1
Expendable Endowment: Le Baron de Hirsch	23,884	-	-	23,884
	<u>23,885</u>	<u>-</u>	<u>-</u>	<u>23,885</u>

The endowment funds are invested in quoted shares.

15. ENDOWMENT FUND (cont)

Comparative endowment fund	As at 1 January 2019 £'000	Income £'000	Expenditure £'000	As at 31 December 2019 £'000
Permanent Endowment: La Baronne de Hirsch bequest	1	-	-	1
Expendable Endowment: Le Baron de Hirsch	23,884	-	-	23,884
	<u>23,885</u>	<u>-</u>	<u>-</u>	<u>23,885</u>

The endowment funds are invested in quoted shares.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £'000	Endowment funds 2020 £'000	Total Funds 2020 £'000
Investments	34,206	23,885	58,091
Net current assets	144	-	144
Long term liabilities	(85)	-	(85)
Total	<u>34,265</u>	<u>23,885</u>	<u>58,150</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Comparative analysis of net assets between funds	Unrestricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
Investments	29,757	23,885	53,642
Net current assets	640	-	640
Long term liabilities	(85)	-	(85)
Total	30,312	23,885	54,197

17. RELATED PARTY TRANSACTIONS

There are no related party transactions during the year.

18. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 (As restated) £'000
Net income/(expenditure) for the year	3,953	8,842
Dividends received	(86)	(357)
Net gains on investments	(6,154)	(10,785)
Decrease / (Increase) in debtors	77	(119)
(Decrease) / Increase in creditors	(22)	27
Net cash flow from operating activities	(2,232)	(2,392)

19. POST BALANCE SHEET EVENT

The Council Members have assessed the operational and financial impact of post balance sheet events and Covid-19 on the charity as set out in Council Member's Report on page 5 and in the going concern statement at note 1.10.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
20. PRIOR YEAR ADJUSTMENT

The accounts are restated to incorporate the impact of a misclassification of investment manager fees as unrealised gains on investments in the year ended 31 December 2019.

The change did not impact the reserves or movement in funds at 31 December 2019 but resulted in increasing the net expenditure before gains and losses on investments by £77k.

The Prior Year Adjustment had the following impact on the Statement of Financial Activities and the Investment note. There were no changes to reserves or the result for the year

Statement of Financial Activities	Expenditure £'000	Unrealised gain £'000
As previously stated	2,279	10,708
Prior Year Adjustment	77	77
Restated at 31 December 2019	2,356	10,785

Note 10 – Investments	Disposals £'000	Unrealised gain £'000
As previously stated	(35,720)	10,708
Prior Year Adjustment	(77)	77
Restated at 31 December 2019	(35,797)	10,785